



February 24, 2010

Mr. Jeff Derouen  
Executive Director  
Kentucky Public Service Commission  
211 Sower Boulevard  
P.O. Box 615  
Frankfort, KY 40602-0615

RECEIVED  
FEB 25 2010  
PUBLIC SERVICE  
COMMISSION

Re: Gas Cost Recovery Rate  
Kentucky Frontier Gas, LLC  
dba Mike Little Gas Company, Inc.

Dear Mr. Derouen:

2010 - 00087

On behalf of Kentucky Frontier Gas, LLC, dba Mike Little Gas Company, Inc. (MLG), we are filing for a Gas Cost Recovery for the period commencing April 1, 2010.

Enclosed is a Rates and Charges form and related calculations on which we base our request for rate changes. The cost of gas from MLG's supplier, Columbia Gas of Kentucky and Equitable Energy, LLC are based on their tariffs.

If you have any questions, please call me at 303-422-3400.

Sincerely,

KENTUCKY FRONTIER GAS, LLC  
dba MIKE LITTLE GAS COMPANY, INC.

A handwritten signature in cursive script that reads "Dennis R. Horner".

Dennis R. Horner  
Kentucky Frontier Gas, LLC

Enclosure

FOR Melvin, Byro, Weeksbury, Langley and Goble Roberts  
Community, Town or City

P.S.C. KY. NO. 1

SHEET NO. 5

Mike Little Gas Company, Inc.  
(Name of Utility)

CANCELING P.S. KY. NO.

SHEET NO. \_\_\_\_\_

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RATES AND CHARGES

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APPLICABLE: Entire area served

AVAILABILITY OF SERVICE: Domestic and commercial use in applicable areas.

A. MONTHLY RATES:

	<u>Base Rate</u>	<u>GCRR</u>	<u>Total</u>
FIRST (1) MCF (MINIMUM BILL)	\$ 5.5000	4.6217	10.1217
OVER 1 MCF	\$ 4.3271	4.6217	8.9488

SURCHARGE: In addition to the above rates, a surcharge of \$0.696 per MCF used for all areas (except Goble Roberts) for Kentucky West Virginia Gas Company FERC Docket #TQ-89-46-000.

B. DEPOSITS \$100.00

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DATE OF ISSUE February 22, 2010

Month/Date/Year

DATE EFFECTIVE April 1, 2010

ISSUED BY 

(Signature of Officer)

TITLE Member

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. \_\_\_\_\_ DATED \_\_\_\_\_

Company Name

Mike Little Gas Co.

Quarterly Report of Gas Cost  
Recovery Rate Calculation

Date filed: February 22, 2010

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Date Rates to be Effective: April 1, 2010

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Reporting Period Ending: December 31, 2009

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MIKE LITTLE GAS - GAS COST RECOVERY RATE

SCHEDULE I

GAS COST RECOVERY RATE SUMMARY

<u>Component</u>	<u>Unit</u>	<u>Amount</u>
Expected Gas Cost (EGC)	\$/Mcf	\$ 6.8006
+ Refund Adjustment (RA)	\$/Mcf	\$ -
+ Actual Adjustment (AA)	\$/Mcf	\$ (2.1789)
+ Balance Adjustment (BA)	\$/Mcf	\$ -
= Gas Cost Recovery Rate (GCR)		\$ 4.6217

GCR to be effective for service rendered from January 1, 2010 to March 31, 2010.

<u>A</u>	<u>EXPECTED GAS COST CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
	Total Expected Gas Cost (Schedule II)	\$	\$ 130,578.65
/	Sales for the 12 months ended <u>December 31, 2009</u>	Mcf	19,201
=	Expected Gas Cost (EGC)	\$/Mcf	\$ 6.8006

<u>B</u>	<u>REFUND ADJUSTMENT CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
	Supplier Refund Adjustment for Reporting Period (Sch. III)		\$ -
+	Previous Quarter Supplier Refund Adjustment	\$/Mcf	\$ -
+	Second Previous Quarter Supplier Refund Adjustment	\$/Mcf	\$ -
+	Third Previous Quarter Supplier Refund Adjustment	\$/Mcf	\$ -
=	Refund Adjustment (RA)	\$/Mcf	\$ -

<u>C</u>	<u>ACTUAL ADJUSTMENT CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
	Actual Adjustment for the Reporting Period (Sch. IV)	\$/Mcf	\$ 0.2673
+	Previous Quarter Reported Actual Adjustment	\$/Mcf	\$ (0.0126)
+	Second Previous Quarter Reported Actual Adjustment	\$/Mcf	\$ (0.3674)
+	Third Previous Quarter Reported Actual Adjustment	\$/Mcf	\$ (2.0662)
=	Actual Adjustment (AA)	\$/Mcf	\$ (2.1789)

<u>D</u>	<u>BALANCE ADJUSTMENT CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
	Balance Adjustment for the Reporting Period (Sch. V)	\$/Mcf	\$ -
+	Previous Quarter Reported Balance Adjustment	\$/Mcf	\$ -
+	Second Previous Quarter Reported Balance Adjustment	\$/Mcf	\$ -
+	Third Previous Quarter Reported Balance Adjustment	\$/Mcf	\$ -
=	Balance Adjustment (BA)	\$/Mcf	\$ -

**MIKE LITTLE GAS - GAS COST RECOVERY RATE**

SCHEDULE II

EXPECTED GAS COST

Actual \*MCF Purchases for 12 months ended December 31, 2009

(1) Supplier	(2) Dth	(3) BTU Conversion Factor	(4) Mcf	(5)** Rate	(6) (4) x (5) Cost
Equitable			20,341	\$ 6.8110	\$ 138,542.55
Columbia			5,413	\$ 5.1438	\$ 27,843.39
Totals			25,754		\$ 166,385.94

Line loss for 12 months ended December 31, 2009 is 25.4%\*\*\* based on purchases of 25,754 Mcf and sales of 19,201 Mcf.

	Unit	Amount
Total Expected Cost of Purchases (6)	\$	\$ 166,386
/ Mcf Purchases (4)	Mcf	25,754
= Average Expected Cost Per Mcf Purchased	\$/Mcf	\$ 6.4606
x Allowable Mcf Purchases (must not exceed Mcf sales / .95)	Mcf	20,212
=	\$	\$ 130,579

\* Or adjusted pursuant to Gas Cost Adjustment Clause and explained herein

\*\* Supplier's tariff sheets or notices are attached

\*\*\* Purchased volumes for last 2 months of 2009 are excessive and inconsistent with historical averages. KFG is investigating the potential billing errors with the supplier.

**Mike Little Gas Company**

Schedule IV  
Actual Adjustment

December 31, 2009

For the period ending

Particulars	Unit	Month 1	Month 2
		Nov-09	Dec-09
Total Supply Volumes Purchased	Mcf	3,200	5,768
Total Cost of Volumes Purchased (divide by) Total Sales (not less than 95% of supply)	\$	24,243	\$ 45,934
(equals) Unit Cost of Gas	Mcf	3,040	5,480
(minus) EGC in effect for month	\$/Mcf	7.9747	\$ 8.3827
(equals) Difference	\$/Mcf	7.1329	\$ 7.1329
(times) Actual sales during month	\$/Mcf	0.8418	\$ 1.2498
(equals) Monthly cost difference	Mcf	1,333	3,208
	\$	1,122.08	\$ 4,009.45

	Unit	Amount
Total cost difference	\$	\$ 5,131.53
(divide by) Sales for 12 Months ended December 31, 2009	Mcf	19,201
(equals) Actual Adjustment for the Reporting Period		\$ 0.2673
(plus) Over-recovery component from collections through expired AAs		\$ -
(equals) Total Actual Adjustment for the Reporting Period (to Schedule I C)		\$ 0.2673